

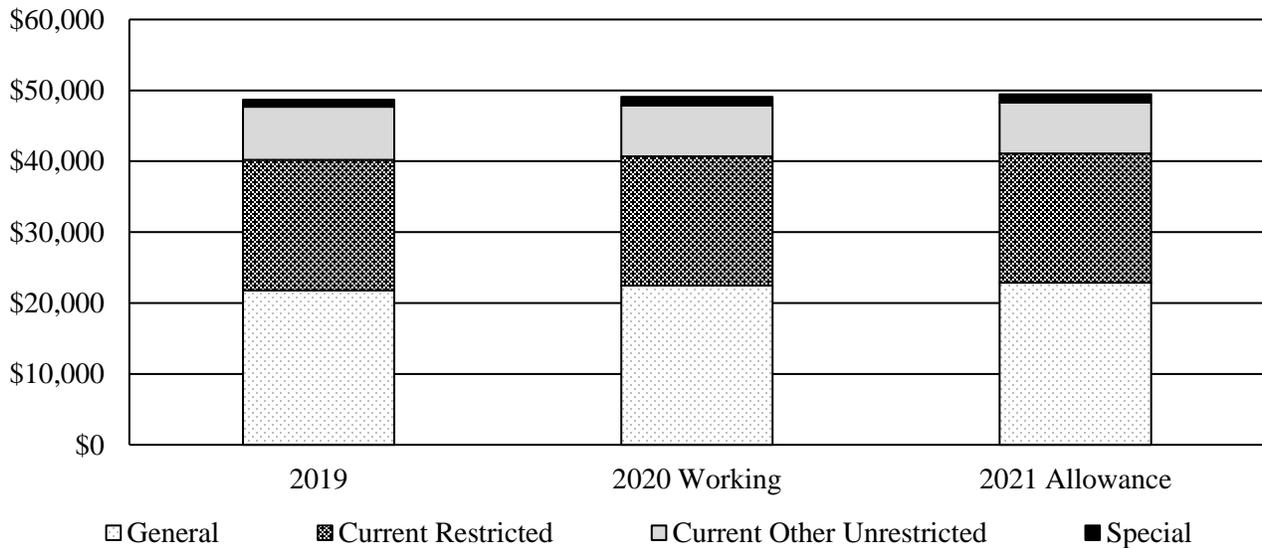
R30B34
University of Maryland Center for Environmental Science
University System of Maryland

Program Description

The University of Maryland Center for Environmental Science (UMCES) is a research institution for environmental and natural sciences studies with a mission to develop a comprehensive program of environmental research, education, and service. Research focuses on the watersheds, estuaries, and coastal areas of Maryland and the greater Chesapeake Bay region, and applying knowledge to help predict conditions in Maryland’s ecology. UMCES includes four geographically distinct laboratories under a single administration that also serve as regional centers: Appalachian Laboratory in Frostburg; Chesapeake Biological Laboratory on Solomon’s Island; Horn Point Laboratory in Cambridge; and the Institute of Marine and Environmental Technology in Baltimore, which is a joint research institute between UMCES; the University of Maryland Baltimore County; and the University of Maryland, Baltimore Campus.

Operating Budget Summary

Fiscal 2021 Budget Increases by \$0.4 Million or 0.7% to \$49.5 Million
(\$ in Thousands)



Note: Numbers may not sum due to rounding. The fiscal 2020 appropriation includes deficiencies, planned reversions, and general salary increases. The fiscal 2021 allowance includes contingent reductions and general salary increases.

- State support for UMCES in fiscal 2021 grows 1.6%, or \$0.4 million, over fiscal 2020.

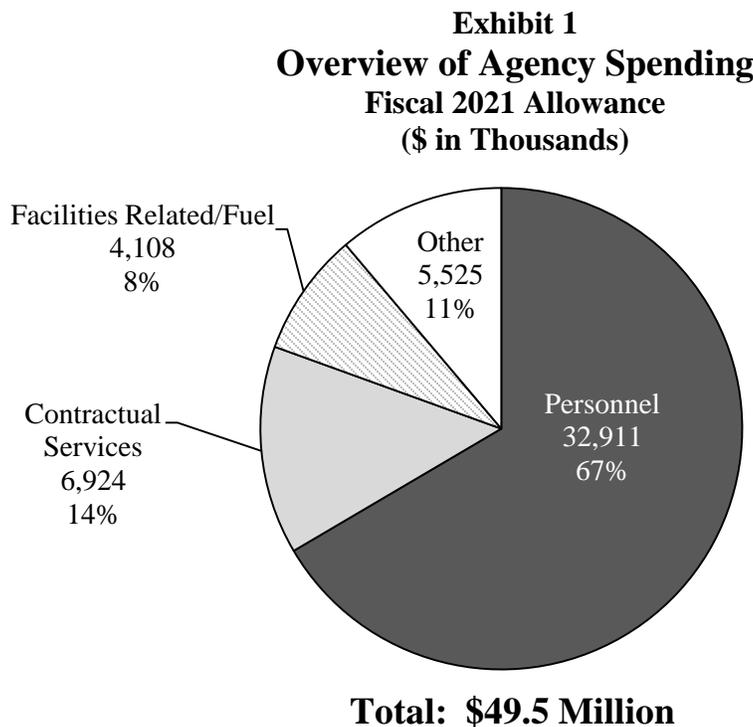
Fiscal 2020

Proposed Deficiency

A proposed deficiency would replace \$0.2 million in general funds with the Higher Education Investment Fund (HEIF) due to the availability of the HEIF fund balance.

Fiscal 2021 Overview of Agency Spending

As shown in **Exhibit 1**, the fiscal 2021 allowance for UMCES after adjusting for a 2% general salary increase, totals \$49.5 million. Personnel expenditures account for 67% of total spending.



Source: Governor's Fiscal 2021 Budget Books

Proposed Budget Change

As shown in **Exhibit 2**, the adjusted fiscal 2021 general fund budget for fiscal 2021 is 1.7%, or \$386,033, higher than the adjusted fiscal 2020 working appropriation. After adjusting for the proposed deficiency, the HEIF declines 1.5%, or \$18,616, in fiscal 2021. Overall, State funding increases 1.6% to \$24.1 million in fiscal 2021.

Exhibit 2
Proposed Budget
University of Maryland Center for Environmental Science
Fiscal 2019-2021
(\$ in Thousands)

| | <u>Actual 2019</u> | <u>Working 2020</u> | <u>Adjusted 2021</u> | <u>Change 2020-2021</u> | <u>% Change Prior Year</u> |
|-------------------------------|------------------------|-------------------------|--------------------------|-----------------------------|--------------------------------|
| General Funds | \$21,802 | \$22,584 | \$22,535 | | |
| Deficiency | | -182 | | | |
| General Salary Increase | | 84 | 338 | \$253 | |
| Total General Funds | \$21,802 | \$22,487 | \$22,873 | \$386 | 1.7% |
| HEIF | \$1,010 | \$1,032 | \$1,195 | | |
| Deficiency | | 182 | | | |
| Total HEIF | \$1,010 | \$1,213 | \$1,195 | -\$19 | -1.5% |
| Total State Funds | \$22,812 | \$23,700 | \$24,067 | \$367 | 1.6% |
| Other Unrestricted Funds | \$9,002 | \$7,412 | \$7,412 | \$0 | 0.0% |
| Transfer to Fund Balance | -1,524 | -242 | -242 | | |
| Net Unrestricted Funds | \$30,290 | \$30,870 | \$31,238 | \$367 | 1.2% |
| Restricted Funds | \$18,417 | \$18,230 | \$18,230 | \$0 | 0.0% |
| Total Funds | \$48,706 | \$49,100 | \$49,468 | \$367 | 0.7% |

HEIF: Higher Education Investment Fund

Note: Numbers may not sum due to rounding. The fiscal 2020 appropriation includes deficiencies, planned reversions, and general salary increases. The fiscal 2021 allowance includes contingent reductions and general salary increases.

Source: Governor’s Fiscal 2021 Budget Books; Department of Legislative Services

The fiscal 2021 allowance provides \$253,176 of State funds for general salary increases and \$114,241 for statewide miscellaneous adjustments. The allowance does not provide increases in other unrestricted and restricted funds. However, UMCES’ State-supported current services cost (CSC) increase by \$341,992 in fiscal 2021. This includes \$189,396 for facilities renewal, \$142,061 for statewide miscellaneous adjustments, and \$10,535 related to increases in the minimum wage. Since there is no increase in other unrestricted funds in the allowance, it is unclear how UMCES will cover the increase in CSC.

The President should comment on how UMCES will be able to cover the increases in CSC.

Personnel Data

| | FY 19 <u>Actual</u> | FY 20 <u>Working</u> | FY 21 <u>Allowance</u> | FY 20-21 <u>Change</u> |
|------------------------|--------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
| Regular Positions | 274.86 | 276.86 | 276.86 | 0.00 |
| Contractual FTEs | <u>84.00</u> | <u>74.00</u> | <u>74.00</u> | <u>0.00</u> |
| Total Personnel | 358.86 | 350.86 | 350.86 | 0.00 |

Vacancy Data: Regular Positions

| | | |
|---|-------|--------|
| Turnover and Necessary Vacancies, Excluding New Positions | 9.05 | 3.27% |
| Positions and Percentage Vacant as of 12/31/19 | 11.99 | 10.73% |
| Vacancies Above Turnover | 2.94 | |

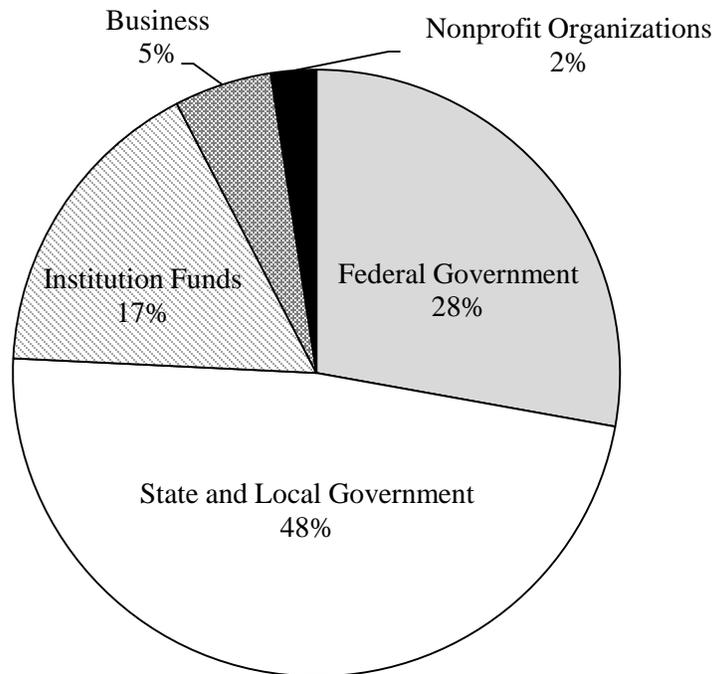
- The fiscal 2021 allowance does not provide for any new regular positions. However, the University System of Maryland institutions have personnel autonomy and may create new positions during the year. In fiscal 2020 year-to-date, 2.0 State-supported positions were added: a program coordinator to support implementation of a graduate certificate program; and a business/administrative support coordinator for the Vice President for Strategic Initiatives.

Key Observations

1. Research and Development Expenditures

Being a research institution, UMCES relies on federal, State, and local contracts and awards for over half of its budget. Total Research and Development expenditures, as reported to the National Science Foundation (NSF), have increased from \$52.2 million in fiscal 2015 to \$56.0 million in fiscal 2019. It should be noted that total expenditures exceed UMCES’s budget by approximately \$10.0 million due to NSF including matching funds and facility and personnel funds that may be budgeted elsewhere. As shown in **Exhibit 3**, State and local government contracts and awards comprise 48% of total expenditures in fiscal 2018 with the federal government accounting for 28%.

Exhibit 3
Total Research and Development Expenditures by Source
Fiscal 2018



Total: \$54.1 Million

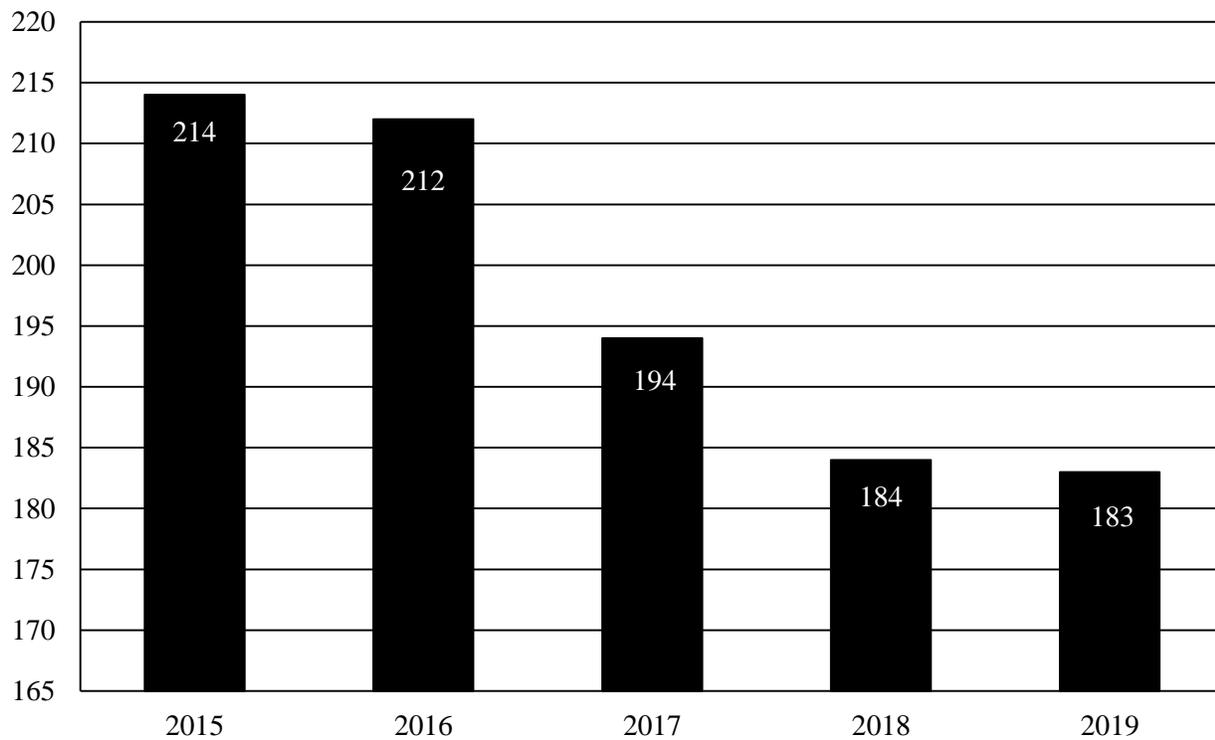
Note: Fiscal 2018 is the most recent year data is available.

Source: National Science Foundation

2. Chesapeake Bay Restoration Projects

UMCES tracks the number of Chesapeake Bay restoration projects that it participated in as a measure of strengthening its predictive ecology for Maryland, which is predicting how ecological populations, communities, or ecosystems will change in the future in response to various environmental factors such as climate warming. Projects focus on the Chesapeake Bay generally and specific aspects of bay restoration ranging from research concerning the overall health of the bay to specific organisms such as conducting the annual blue crab survey. The total number of projects is driven primarily by grant funding. As shown in **Exhibit 4**, the total number of projects had declined from 214 in fiscal 2015 to 183 in fiscal 2019.

Exhibit 4
Chesapeake Bay Restoration Projects
Fiscal 2015-2019



Source: Governor’s Fiscal 2021 Budget Books

Operating Budget Recommended Actions

1. See the University System of Maryland overview for systemwide recommendations.

Appendix 1
Object/Fund Difference Report
USM – University of Maryland Center for Environmental Science

| <u>Object/Fund</u> | <u>FY 19</u> <u>Actual</u> | <u>FY 20</u> <u>Working</u> <u>Appropriation</u> | <u>FY 21</u> <u>Allowance</u> | <u>FY 20 - FY 21</u> <u>Amount Change</u> | <u>Percent</u> <u>Change</u> |
|---|-------------------------------|--|----------------------------------|--|---------------------------------|
| Positions | | | | | |
| 01 Regular | 274.86 | 276.86 | 276.86 | 0.00 | 0% |
| 02 Contractual | 84.00 | 74.00 | 74.00 | 0.00 | 0% |
| Total Positions | 358.86 | 350.86 | 350.86 | 0.00 | 0% |
| Objects | | | | | |
| 01 Salaries and Wages | \$ 31,993,035 | \$ 32,433,286 | \$ 32,573,256 | \$ 139,970 | 0.4% |
| 02 Technical and Spec. Fees | 117,296 | 111,349 | 163,160 | 51,811 | 46.5% |
| 03 Communication | 306,946 | 255,852 | 255,852 | 0 | 0% |
| 04 Travel | 1,155,831 | 755,187 | 755,187 | 0 | 0% |
| 06 Fuel and Utilities | 2,286,787 | 2,064,500 | 2,085,595 | 21,095 | 1.0% |
| 07 Motor Vehicles | 419,875 | 1,435,110 | 1,435,339 | 229 | 0% |
| 08 Contractual Services | 8,715,249 | 7,239,685 | 6,924,374 | -315,311 | -4.4% |
| 09 Supplies and Materials | 2,252,155 | 1,255,286 | 1,255,286 | 0 | 0% |
| 11 Equipment – Additional | 726,464 | 663,395 | 663,395 | 0 | 0% |
| 12 Grants, Subsidies, and Contributions | 50,622 | 111,950 | 111,950 | 0 | 0% |
| 13 Fixed Charges | 680,619 | 857,619 | 884,670 | 27,051 | 3.2% |
| 14 Land and Structures | 1,424 | 1,832,800 | 2,022,196 | 189,396 | 10.3% |
| Total Objects | \$ 48,706,303 | \$ 49,016,019 | \$ 49,130,260 | \$ 114,241 | 0.2% |
| Funds | | | | | |
| 40 Unrestricted Fund | \$ 30,289,625 | \$ 30,786,016 | \$ 30,900,257 | \$ 114,241 | 0.4% |
| 43 Restricted Fund | 18,416,678 | 18,230,003 | 18,230,003 | 0 | 0% |
| Total Funds | \$ 48,706,303 | \$ 49,016,019 | \$ 49,130,260 | \$ 114,241 | 0.2% |

Note: Numbers may not sum due to rounding. The fiscal 2020 appropriation includes deficiencies, planned reversions, and general salary increases. The fiscal 2021 allowance includes contingent reductions and general salary increases.